Saskatchewan

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Agriculture Development Fund

FINAL REPORT

PHASE II – WOOL POOL MEMBERSHIP

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Saskatchewan Agriculture & Food

Adding value to agriculture...through research and development

SUMMARY

The Saskatchewan Llama Association's (SLA) Wool Pool has been developed to assist Saskatchewan's camelid (llama and alpaca) producers with the processing, marketing and promotion of high quality fibre from their animals.

The purpose of this project was to continue to expand on the level of producer participation, to provide additional educational opportunities and to subsequently begin exploration of investigating more cost effective methods of processing and finishing.

The SLA Wool Pool focuses on the promotion, education and awareness of this exotic fibre and has been working on the development of a secondary, value added fibre industry. Funding through ADF allowed our group to have a display in the Lifestyles area of the Canadian Western Agribition where demonstrations, promotion and sales of Saskatchewan llama and alpaca fibre products doubled over the previous year. Interest in the good was very high, and subsequent potential partnerships/marketing opportunities have since arisen due to our continued visibility at this venue.

The Wool Pool also held its second annual Canadian National Llama Fibre Sweepstakes. The winners were announced at the 2000 Canadian Western Agribition and a showcase of winning entries was on display in the Lifestyles area of Agribition over the course of the week. This program again saw participants receiving written evaluation and feedback about their fibre from a judges in the breeding, textile and processing industries. The main goals of this program is to provide a marketing/promotion opportunity for the camelid fibre industry and to provide producers with a resource for further improvement in their raw fibre product through the evaluation process. The program will be run again in 2001 with an expansion of having both llama and alpaca categories for entry.

There was an increase in the membership to 25 participating farms which was evenly split between llama and alpaca producers from across the province. This number is over double the membership of the previous year and indications are that additional producers are interested in participating in 2001. A very high level (approximately 80%) of 2000 members have renewed as of January 2001, which also indicates a high level of value to producers (traditionally, many producers do not pay membership dues until spring shearing has been completed).

Over the period of this project, two surveys were circulated to llama and alpaca producers in Saskatchewan. The first was sent to the SLA Wool Pool membership to receive feedback regarding the programs and services provided to date. The second questionnaire was distributed to llama and alpaca producers in the province who were not involved in the Wool Pool to determine what, if any, barriers exist that were preventing participation.

The information gathered was later used in a series of brainstorming workshops, facilitated by Ann Cooney of the Specialized Livestock Marketing Area of the University of Saskatchewan. The data gathered through surveys, and membership input at these (two) meetings allowed for substantial organizational growth. Very importantly, these workshops saw the development of

formal Business Plan document that encapsulates the vision that producers have for this new industry and sets a roadmap illustrating our organization's long term plans to reach these goals.

This document is included as an attachment to this report, and outlines strategies for a sustainable and viable secondary industry for llama and alpaca fibre, including the exploration of market and fibre research and development.

The other significant development in the maturation of this industry is the establishment of this collaborative group as its own non-profit organization distinct from the producer/breed organizations. The SLA Wool Pool has now (as of February 2001) become **L A Fibres**. Due to the growth in membership numbers, level of activity and distinct objectives, the membership of the SLA Wool Pool determined that it was time in the group's maturation to become established as its own organization, with its own Board of Directors and subsequent committees. The organizational structure is outlined in the attached Business Plan document.

TECHNICAL REPORT

The Saskatchewan Llama Association's Wool Pool (now L A Fibres) has been developed in response to a need that was identified nationally in the camelid industry. This program was undertaken in 1998 to help producers understand meeting the needs of the cottage industry market, having their fibres processed to meet this need and to have resources available for development of this value added industry for Saskatchewan's producers.

The objectives of the SLA Wool Pool (L A Fibres) continues to be:

1) to develop a cooperative commercial production process that assists the Saskatchewan camelid industry to promote its fibre throughout Canada and into American markets

2) to strengthen the Saskatchewan camelid industry between llama and alpaca producers through the development and cooperative efforts of a Wool Pool

3) to assist camelid producers in the processing, marketing and sales of their fibre products

4) to develop a long-term strategy that will allow the Wool Pool to operate on a self-sustaining basis

5) to utilize the demand for quality fibre products in the promotion of the camelid industry

6) to assist Western Canadian fibre processors that wish to make their enterprises mature and develop into financially feasible businesses.

The objectives for the project funded through the Agri-Value Program were:

1. To increase producer participation. This was to be undertaken through a higher level of visibility and through a survey process.
2. To enhance services and benefits to producers by introducing additional educational opportunities.
3. To continue to investigate cost effective ways to process and finish value added goods made from Saskatchewan llama and alpaca fibre
4. To expand current production options and research market opportunities.

It was recognized that objectives #3 and #4 would have to evolve after completion of the first two objectives.

The project period was extremely busy one for the Wool Pool due to significant growth in membership and the amount of raw material supplied for processing and inclusion in the inventory.

The year saw the membership grow to 25 participating farms which was evenly split between llama and alpaca producers. This is significant, as it creates an environment for dialogue between the two communities and provides an arena for recognition and education of each sectors similarities and differences. We had additional inquiries regarding membership late in

2000 and recommended that these additional producers consider joining in 2001 (due to missing final shipment dates and membership fees again being due within a couple of months). As of January 31, 2001 5 new farms have already joined the membership for the year.

The number of producers participating translated into a much higher level of raw material to work with and in turn, resulted in expanding on the product lines that have been developed to date. This also in turn, has resulted in the Wool Pool (L A Fibres) finally establishing a large enough inventory base that it can begin to work on exploring marketing opportunities on a year-round basis. Opportunities have arisen for this late in 2000, including booth rental at the provincial spinner's and weaver's conference in March 2001, a public presentation to a Regina professional women's meeting and initial discussions regarding participating in an e-commerce outlet focussed on the baby-boomer leisure market (through our visibility at the Canadian Western Agribition in 2000). We are also considering other opportunities for trade shows and potentially a mail-order catalogue (pending the planning process discussed below).

Larger quantities of fibre also provides for the opportunity to explore other processing options by pooling fibre if the participating farms desire. This may include woven fabrics and machine produced camelid socks in the upcoming year. The upcoming year will also involve further exploration of uses for the second and third grade fibres, such as quilt batting and utility felts, which would require finishing in order to make it economically feasible for the producers and investigation into additional markets to target for these type of products.

"Slippers and Beyond" was a series of brainstorming sessions facilitated by Ann Cooney of the Specialized Livestock Marketing Area of the University of Saskatchewan. Ann agreed to work with the SLA Wool Pool in identifying its needs, its markets and developing a long-term business plan and marketing strategy to ensure its long term survival. The first installment was held in November 2000, during the Canadian Western Agribition, and the second part of the series took place in January 2001 at the Neil Balkwill Civic Arts Centre in Regina. Invitations to the workshop were sent to all members of the Wool Pool in addition to other llama and alpaca producers from across Saskatchewan who have indicated an interest in the fibre industry through the survey that was mailed to their homes late in 2000.

The above mentioned survey was another undertaking which was assisted through support from the Agri-Value program (please see the summary attached). Two surveys were developed by the Wool Pool Committee; the first, to llama and alpaca producers from throughout Saskatchewan who have not participated in the Wool Pool. This survey was sent to help determine several areas including: producer awareness of the SLA Wool Pool, producer interest in the fibre industry, number of animals in Saskatchewan whose fibre is not being sent through the Wool Pool, barriers preventing participation. This information is helpful in reaching new participants, providing additional information to those who have only heard of the Wool Pool "through the grapevine", assessing potential for continued growth and projecting realistic expectations for further development.

The second survey was sent directly to the 2000 membership of the Wool Pool to evaluate services that have been offered, request input regarding plans for upcoming workshops, priorize

areas for development and assess member willingness to becoming involved in aspects of the Wool Pool's programming and strategic development.

As with any area of livestock diversification, the population base is now becoming established in our province where the sales of breeding stock has hit a plateau and stabilized. While the level of growth is continuing on the same level, animals are now being bred within our province with many farms having established foundation herds. As sector industries, producers need to move beyond relying on breeding stock sales and into secondary markets that offshoot from their livestock and in order to be cost efficient and effective as a market, this needs to be done collaboratively. As the SLA Wool Pool (now L A Fibres) is the first organization to work towards meeting this need, the opportunities for high quality products, markets, development and continued evolution have been untapped to date anywhere in the country in a collective manner. As such, we are in a position to define exactly where we want our industry to develop and explore various areas of processing and market options. By working directly with producers in our membership, we have an avenue for direct communication and input regarding our direction, services and programs so that they have the most benefit for rural Saskatchewan.

The assistance provided through the ADF Program has not only been instrumental to the success of this project, but allowed for pivotal development for the organization that commenced with the data collected through the survey process. The potential impact is reflected in the Business Plan as the vision of this secondary is explored and realized over the next several years.

An honorarium is paid monthly to the Wool Pool Coordinator for organization and management of the Wool Pool membership inventory, workshop development, producer payments, newsletters, marketing, needs assessment, partnership/membership liaison and communications. The Coordinator is Rhonda Lamb. The hours for each month were logged and filed with the Secretary/Treasurer of the Saskatchewan Llama Association. The honourarium for services was $600/month for the period of this project

EQUIPMENT
Not applicable to this project

PROJECT DEVELOPED MATERIALS & FUNDING ACKNOWLEDGEMENT
Please see enclosed brochures, posters and acknowledgements of ADF support. Also see the enclosed Business Plan document.